GROUP ANNUAL REPORT

Beginning of financial year:	1 January 2016
End of financial year:	31 December 2016

Business name:	Wellman OÜ
Registry number:	10093020

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Management report

Wellman OÜ is a parent of a group which has interests in the following entities:
Wellman UAB – a subsidiary in Lithuania (100% interest);
Carfox OÜ – a subsidiary in Estonia (100% interest);
3PL Worldwide Solutions SIA – a subsidiary in Latvia (100% interest);
Wellman Logistics SIA – a subsidiary in Latvia (100% interest);
Wellman Factoring SIA – a subsidiary in Latvia (100% interest);
Investment House OÜ – a subsidiary in Estonia (85% interest), which has a 25% interest in Wellman Invesco AS ;
Autosky OÜ – a subsidiary in Estonia (100% interest);
BonBon Lingerie OÜ – a subsidiary in Estonia (70% interest).

Business review

The year 2016 was highly successful for Wellman. Major financial services group 4Finance purchased Friendly Finance, a consumer loan market leader and innovator in the fintech sector, for 16 million euros. The transaction was preceded by extensive preparations which lasted from summer 2015 to May 2016. Within that time, the buyer conducted thorough due diligence and determined that the acquiree is a quality business, innovative and, from the point of view of its IT solutions, far ahead of the competition.

The core business of the group's parent is provision of financial services. In particular, provision of credit to companies and individuals at interest rates from 10% per year. For example, we provide credit to large Estonian companies interested in increasing their stocks and individuals interested in real estate development.

In 2016, we entered the lingerie business, acquiring the majority stake in a new company, BonBon Lingerie OÜ. We believe that premium lingerie business has adequate development opportunities thanks to its unlimited export potential. We see that by combining skilful marketing with superb quality, use of material, and fit, BonBon can be developed into an Estonian brand with a global reputation, the first of its kind.

Our Latvian logistics business moved into an important new development phase by beginning to offer stock financing through a newly-established subsidiary: Wellman Factoring SIA. There is demand for the service both among our existing logistics customers and new target customers with whom we are still in a negotiation phase. Availability of the service is a strong argument in attracting new customers.

Overview of group entities

Wellman group invests in stand-alone entities with different business profiles. This eliminates the risks resulting from operating in a single business segment and allows the group as a whole to earn a profit even when some group entities generate a loss.

The company's investment portfolio includes, among other entities:

Wellman Logistics SIA, based in Salaspils, Latvia, which operates a logistics complex of 15,000 square metres and offers a full range of logistics services to companies operating in the Russian and Central Asian region (www.3pl.ru).

Wellman Factoring SIA, based in Salaspils, Latvia, which offers various financial services to the customers of Wellman Logistics.

Autosky OÜ, based in Estonia, which imports and sells new and almost-new premium class Audi, BMW, Porsche, and Aston Martin cars(www.autosky.ee).

Carfox OÜ, based in Estonia, which provides large-scale emergency repair and maintenance services for Premium class cars (www.carfox.ee);

BonBon Lingerie OÜ, based in Estonia, which produces undergarments, including T-shirts, shirts, dressing gowns, nightgowns, and similar items.

Wellman UAB, based in Kaunas, Lithuania, which operates Wellman Logistikos Parkas which is developing a logistics park with an area of over 10 ha near Via Baltica.

Different exclusive pieces of real estate in Estonia, Latvia and Egypt: leasing and renting.

An entity providing financing to machine-building companies in Estonia (www.pioneer.ee).

The parent of the group, Wellman OÜ, mainly provides marketing and management services and financing to the subsidiaries.

Revenue, expenses and profit

In 2016, the group generated revenue of 7,534,283 euros (2015: 15,114,564 euros) and earned a profit of 4,108,148 (2015: a loss of 1,351,891 euros)

People

In 2016, the group employed over 127 people. Personnel expenses including social security charges totalled 1,130,670 euros (2015: 1,721,182 euros)

Objectives for the next financial year

Targets for 2017: To add functions at group level by creating new jobs at the parent company. In particular, this applies to the IT function whose management has been fragmented and inefficient. To pay more attention to financial management, in particular - to establish clearer criteria for coordinating and controlling movement of the group’s funds. We are planning to centralize the key support and control functions to the parent company so that subsidiaries could focus on delivering strong performance in their core business.

Naturally, we are going to maintain our main focus on starting up and developing the companies we have established and acquired; this means forming the best teams and entering new foreign markets.

Consolidated financial statements

Consolidated balance sheet

(In euros)

As at 31 December	2016	2015	Note
Assets			
Current assets			
Cash and cash equivalents	4,161,922	1,771,344	2
Investments	2,755	0	3
Receivables and prepayments	3,672,376	14,548,441	4
Inventories	1,962,482	556,224	5
Total current assets	**9,799,535**	**16,876,009**	
Non-current assets			
Investments	107,049	107,049	9
Receivables and prepayments	40,766	430,495	4
Investment property	1,326,735	1,335,931	10
Property, plant and equipment	4,954,521	5,361,082	11
Intangible assets	6,478	255,672	
Total non-current assets	**6,435,549**	**7,490,229**	
Total assets	**16,235,084**	**24,366,238**	
Liabilities and equity			
Liabilities			
Current liabilities			
Borrowings	470,094	6,038,412	12
Payables and advances received	828,150	5,391,266	13
Total current liabilities	**1,298,244**	**11,429,678**	
Non-current liabilities			
Borrowings	2,410,204	2,196,840	12
Payables and advances received	1,701	236,628	13
Provisions	264,912	266,563	
Total non-current liabilities	**2,676,817**	**2,700,031**	
Total liabilities	**3,975,061**	**14,129,709**	
Equity			
Equity attributable to owners of the parent			
Share capital at par value	25,565	25,565	15
Statutory capital reserve	6,207	27,451	
Other reserves	45,761	45,761	
Foreign currency translation reserve	0	-89,358	
Retained earnings (prior years)	8,481,994	9,991,317	
Profit/loss for the financial year	3,627,036	-1,344,450	
Total equity attributable to owners of the parent	**12,186,563**	**8,656,286**	
Minority interests	73,460	1,580,243	

Total equity	**12,260,023**	**10,236,529**	
Total liabilities and equity	**16,235,084**	**24,366,238**	

Consolidated income statement
(In euros)

	2016	2015	Note
Revenue	7,534,283	15,114,564	
Other income	681,848	133,791	
Change in inventories of work in progress and finished goods	127,502	0	
Goods, materials and services used	-3,157,395	-1,150,683	
Other operating expenses	-2,629,922	-9,961,426	
Personnel expenses	-1,130,670	-1,721,182	16
Depreciation, amortisation and impairment losses	-415,466	-428,657	
Other expenses	-371,800	-1,136,927	
Operating profit	**638,380**	**849,480**	
Gain on investments	3,252,197	0	
Other finance income and costs	106,059	-619,827	17
Profit before income tax	**3,996,636**	**229,653**	
Income tax income/expense	111,512	-1,581,544	
Profit/loss for the financial year	**4,108,148**	**-1,351,891**	
Profit/loss attributable to owners of the parent	3,627,036	-1,344,450	
Profit/loss attributable to minority interests	481,112	-7,441	

Consolidated statement of cash flows

(In euros)

	2016	2015	Note
Cash flows from operating activities			
Operating profit	638,380	849,480	
Adjustments for			
Depreciation, amortisation and impairment losses	415,466	428,657	
Other adjustments	-4,500,416	0	
Total adjustments	**-4,084,950**	**428,657**	
Change in receivables and prepayments	11,446,894	-4,124,879	
Change in inventories	-1,406,258	278,294	
Change in payables and advances received	-4,799,694	2,506,933	
Net cash from/used in operating activities	**1,794,372**	**-61,515**	
Cash flows from investing activities			
Paid on acquisition of property, plant and equipment and intangible assets	-495,668	0	
Proceeds from sale of subsidiaries	5,983,240	0	
Loans provided	-181,100	-3,451,000	
Repayment of loans provided	0	2,888,000	
Interest received	437,845	0	
Net cash from/used in investing activities	**5,744,317**	**-563,000**	
Cash flows from financing activities			
Proceeds from loans received	2,681,121	1,507,194	
Repayment of loans received	-8,036,075	0	
Corporate income tax paid	-124,943	0	
Other cash inflows from financing activities	331,786	0	
Net cash used in/from financing activities	**-5,148,111**	**1,507,194**	
Net cash flow	**2,390,578**	**882,679**	
Cash and cash equivalents at beginning of period	1,771,344	978,023	2
Increase in cash and cash equivalents	**2,390,578**	**882,679**	
Effect of movements in foreign exchange rates	0	-89,358	
Cash and cash equivalents at end of period	4,161,922	1,771,344	2

Consolidated statement of comprehensive income

(In euros)

	2016	2015
Profit/loss for the year	4,108,148	-1,351,891
Other comprehensive income		
Exchange differences on translating foreign operations	0	7,000
Total other comprehensive income	**0**	**7,000**
Total comprehensive income/expense for the year	**4,108,148**	**-1,344,891**
Of which comprehensive income/expense attributable to owners of the parent	3,627,036	-1,339,550
Of which comprehensive income/expense attributable to minority interests	481,112	-5,341

Consolidated statement of changes in equity

(In euros)

							Total
	Equity attributable to owners of the parent					Minority interests	
	Share capital at par value	Statutory capital reserve	Other reserves	Foreign currency translation reserve	Retained earnings		
As at 31 December 2014	25,565	37,404	45,761	-96,932	10,116,972	1,465,644	11,594,414
Loss for the year				4,900	-1,344,450	-5,341	-1,344,891
Changes in reserves		-9,953		2,674	-2,655	-3,060	-12,994
Other changes in equity					-123,000	123,000	0
As at 31 December 2015	25,565	27,451	45,761	-89,358	8,646,867	1,580,243	10,236,529
Profit for the year	0	0	0		3,627,036	481,112	4,108,148
Other changes in equity	0	-21,244	0	89,358	-164,873	-1,987,895	-2,084,654
As at 31 December 2016	25,565	6,207	45,761	0	12,109,030	73,460	12,260,023

Notes to the consolidated financial statements

Note 1 Accounting policies

General information

The consolidated financial statements of Wellman OÜ for 2016 have been prepared in accordance with the Republic of Estonia generally accepted accounting principles (the Estonian GAAP). The basic requirements of the Estonian GAAP are set out in the Estonian Accounting Act and more specific guidance is provided in the guidelines issued by the Estonian Accounting Standards Board.
The financial statements have been prepared on the historical cost basis unless described otherwise in these accounting policies.

The financial statements are presented in euros.

Basis of consolidation

Consolidation policy
In preparing consolidated financial statements, the financial statements of the parent and the subsidiaries are combined line by line. All intra-group receivables and liabilities, income and expenses, and unrealised profits and losses are eliminated.

Where necessary, the accounting policies of the subsidiaries are adjusted to those of the group. Line items in the income statement and statement of cash flows of a foreign operation are translated to euros using the average exchange rate for the year. Assets and liabilities denominated in a foreign currency are translated to euros using the exchange rates of the European Central Bank as at 31 December. Exchange differences arising on translating foreign operations are recognised in equity.
In the parent company's separate financial statements, investments in subsidiaries and associates are carried at cost.

Financial assets

The group has the following financial assets: cash and cash equivalents, trade and other receivables, and short- and long-term investments.

Cash and cash equivalents and trade and other receivables (accrued income, loans provided and other short- and long-term receivables) except for items acquired for resale are measured at their amortised cost. As a rule, the amortised cost of a short-term receivable is equal to its nominal value (less any repayments and impairments). Therefore, short-term receivables are measured in the balance sheet in the amount that is expected to be collectible. Long-term receivables are recognised initially at the fair value of the consideration receivable and are measured thereafter at their amortised cost using the effective interest rate method. Receivables acquired for resale are measured at their fair value.

Short- and long-term investments in shares and other equity instruments are measured at their fair value if the latter can be measured reliably. Fair value is determined by reference to the quoted market price of the financial instrument. Shares and other equity instruments whose fair value cannot be determined reliably are measured at cost (less any impairment losses when the recoverable amount of the instrument has decreased below its carrying amount).

Short-term investments comprise securities held for trading and securities with a fixed maturity whose maturity date arrives within 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and term deposits.

Foreign currency transactions and financial assets and liabilities denominated in a foreign currency

Foreign currency is any currency other than the euro; the functional currency of the parent company and its Estonian subsidiaries is the euro. A transaction in a foreign currency is recorded by applying the official exchange rate quoted by the European Central Bank at the date of the transaction. At the reporting date, monetary assets and liabilities denominated in a foreign currency are translated to euros using the exchange rates of the European Central Bank ruling at that date. Exchange differences are recognised in the income statement in the period in which they arise.

Financial information of foreign operations
For consolidation, the financial information of foreign subsidiaries and other foreign operations is translated from their functional currencies to the parent company's presentation currency. When the functional currency of a foreign operation differs from the parent company's presentation currency, the financial statements of the foreign operation are translated using the following exchange rates:
(a) all assets and liabilities are translated using the closing exchange rate of the European Central Bank;
(b) all items of income and expense, other changes in equity, and cash flows are translated at exchange rates at the dates of the transactions.
Exchange differences arising on the translation of foreign operations are recognised in the foreign currency translation reserve in equity.
When a foreign operation is disposed of, the cumulative amount in the translation reserve that is related to that operation is reclassified to profit or loss.

Investments in subsidiaries and associates

Subsidiaries
A subsidiary is an entity that is controlled by the parent. Control is presumed to exist, when the group owns, directly or indirectly, more than half of the voting power of an entity or has power to govern the financial and operating policies of an entity by some other means.
A subsidiary is consolidated from the date control is gained to the date control is lost. Acquisitions of subsidiaries are accounted for using the purchase method, except for business combinations involving entities under common control.

Associates
An associate is an entity in which the group has significant influence but no control. Significant influence is presumed to exist when the group holds 20% to 50% of the voting power of an entity.
Investments in associates are accounted for using the equity method.
When the group's share of losses of an associate accounted for under the equity method is equal to or exceeds the carrying amount of its investment in the associate, the carrying amount of the investment is reduced to nil and further losses are accounted for off the balance sheet.

Receivables and prepayments

Trade receivables comprise short-term receivables arising in the ordinary course of the group's business. Trade receivables are measured at their amortised cost. Principal and interest receivables arising from lending operations are initially recognised at cost.
After initial recognition, the receivables are measured at their amortised cost. The original cost is adjusted for repayments of loan principal and any impairment losses. Principal and interest receivables are assessed for impairment and written down on a monthly basis by estimating the collectibility of overdue items in the loan portfolio based on the group's historical data on the recovery of overdue loans.
Other receivables and loans provided are written down when there is objective evidence that an item is not collectible in accordance with the originally agreed settlement terms. Indications of impairment of receivables include the debtor's bankruptcy or significant financial difficulty as well as non-adherence to settlement terms..
The carrying amount of receivables is written down by the amount of impaired (doubtful) receivables and the impairment loss is recognised in the income statement in other operating expenses. When a receivable is considered uncollectible, both the receivable and its impairment allowance are written off the balance sheet. Collection of items classified as impaired in a previous period is recognised by reducing impairment losses on receivables.

Inventories

Inventories are recognised initially at cost. The cost of inventories comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.
The costs of purchase of inventories comprise the purchase price, customs duties and other non-recoverable taxes as well as transport and handling costs directly attributable to the acquisition of the inventories less any trade discounts and volume rebates.
The cost of inventories is assigned by using specific identification of their individual cost.

In the balance sheet, inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

Investment property

Investment property is property held by the group to earn rentals or for capital appreciation or both. Investment properties are measured at cost less any accumulated depreciation and any impairment losses.
Depreciation is charged using the straight-line method. Each investment property is assigned a depreciation rate that corresponds to its useful life. Where an investment property consists of significant parts that have different useful lives, the parts are accounted for separately and assigned depreciation rates that correspond to their useful lives. The depreciation rates assigned to the group's investment properties range from 3% to 12.5% per year.

Property, plant and equipment and intangible assets

Property, plant and equipment

The group recognises tangible assets as items of property, plant and equipment when they are used in the group's business, have a useful life exceeding one year, and their cost amounts to at least 639 euros.

Items of property, plant and equipment are recognised initially at cost. The cost of an item of property, plant and equipment comprises its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. After initial recognition, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any impairment losses.

Depreciation is charged using the straight-line method over the following estimated useful lives:

• Other plant and equipment 5-10 years
• Fixtures, fittings, and IT equipment 3-5 years

Intangible assets (development expenditures, patents, licences, trademarks, software) are recognised in the balance sheet when the group controls the asset, it is probable that future economic benefits attributable to the asset will flow to the group and the cost of the asset can be measured reliably. A purchased intangible asset is measured initially at cost, which comprises its purchase price and other directly attributable costs of acquisition. After initial recognition, an intangible asset is carried at cost less any accumulated amortisation and any impairment losses.

The annual amortisation rates assigned to intangible assets fall within the following range:

- Software, patents, licences, trademarks, and other intangible assets 20-33% per year

Software

Intangible assets include purchased software that is not an integral part of the related hardware. Software development costs are recognised as an intangible asset if they are directly attributable to items of software that are separable, controlled by the group, and from which economic benefits are expected to flow to the group during a period exceeding one year. Capitalised software development costs comprise personnel costs and other directly attributable development expenditures.

Financial liabilities

When financial liabilities are recognised initially, they are measured at their cost which includes all directly attributable transaction charges. After initial recognition, financial liabilities are measured at their amortised cost.

The amortised cost of short-term financial liabilities is generally equal to their nominal value. Therefore, short-term financial liabilities are measured in the balance sheet at the amount payable. Long-term financial liabilities are recognised initially at the fair value of the consideration received for them (less any transaction charges). Thereafter they are measured at their amortised cost using the effective interest method.

A financial liability is classified as a short-term item when it is due to be settled within twelve months after the reporting date.

Statutory capital reserve

The statutory capital reserve is a legal reserve which has been set up in accordance with the requirements of the Estonian Commercial Code. The capital reserve is created using annual net profit transfers. Each year, at least one twentieth of net profit is to be transferred to the capital reserve until the reserve amounts to one tenth of share capital. The capital reserve may be used for covering losses and increasing share capital; it may not be used for making distributions to shareholders.

Revenue

Revenue from the sale of goods is measured at the fair value of consideration received or receivable taking into account any trade discounts and volume rebates allowed. Revenue from the sale of goods is recognised when all significant risks of ownership of the assets have been transferred to the buyer, the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably, and it is probable that economic benefits associated with the transaction will flow to the company.

Revenue from the rendering of services is recognised when the service has been rendered or, if the service is rendered over an extended period, by reference to the stage of completion method.

Interest income and expense are recognised by reference to the effective interest rates of underlying assets and liabilities. Interest is recognised on an accrual basis.

Taxation

Under Estonian laws, corporate profit for the year is not subject to income tax. Therefore, deferred tax assets and liabilities do not arise. Income tax is levied on dividends, fringe benefits, gifts, donations, entertainment expenses, non-business expenses, and transfer price adjustments. The amount of tax payable on dividends is calculated as 20/80 of the net distribution or payment. The income tax payable on the distribution of dividends is recognised as a liability and an expense in the period in which the dividends are declared regardless of the period for which the dividends are declared or the period in which the dividends are actually distributed.

Foreign subsidiaries have to calculate and pay income tax on their taxable profit in accordance with the income tax laws of their domiciles. In 2016 and 2015, the corporate income tax rates of the countries where the foreign subsidiaries (and their subsidiaries) are domiciled were as follows: Latvia 15%, Czech Republic 19%, Slovakia 22%, Poland 19%, Spain 28%, Malta 35%.

Note 2 Cash and cash equivalents

(In euros)

As at 31 December	2016	2015
Cash on hand	38,118	45,065
Cash at bank	4,123,804	1,726,279
Total cash and cash equivalents	**4,161,922**	**1,771,344**

Note 3 Short-term investments

(In euros)

		Total
	Shares	
As at 31 December 2014	912	912
Other	-912	-912
As at 31 December 2015	**0**	**0**
Other	2,755	2,755
As at 31 December 2016	**2,755**	**2,755**

Note 4 Receivables and prepayments
(In euros)

	As at 31 December 2016	Breakdown by remaining maturity	
		12 months	1 - 5 years
Trade receivables	198,824	198,824	0
Receivables from customers	198,824	198,824	0
Prepaid and recoverable taxes	18,208	18,208	0
Other receivables	3,454,241	3,413,475	40,766
Loans provided	3,444,670	3,403,904	40,766
Interest receivable	9,571	9,571	0
Prepayments	41,869	41,869	0
Prepaid expenses	41,869	41,869	0
Total receivables and prepayments	**3,713,142**	**3,672,376**	**40,766**
	As at 31 December 2015	**Breakdown by remaining maturity**	
		12 months	**1 - 5 years**
Trade receivables	152,509	152,509	
Receivables from customers	152,509	152,509	
Prepaid and recoverable taxes	1,268	1,268	
Other receivables	14,648,925	14,218,430	430,495
Loans provided	12,291,495	11,861,000	430,495
Interest receivable	2,357,430	2,357,430	
Prepayments	131,321	131,321	
Prepaid expenses	131,321	131,321	
Other receivables	44,913	44,913	
Total receivables and prepayments	**14,978,936**	**14,548,441**	**430,495**

Note 5 Inventories
(In euros)

As at 31 December	2016	2015
Raw materials and consumables	**161,472**	**0**
Work in progress	**28,214**	**0**
Finished goods	**179,351**	**0**
Goods purchased for resale	**1,584,644**	**556,224**
Prepayments for inventories	**8,801**	**0**
Total inventories	**1,962,482**	**556,224**

Note 6 Prepaid taxes and taxes payable

(In euros)

	As at 31 December 2016		As at 31 December 2015	
	Prepayment	Payable	Prepayment	Payable
Corporate income tax		584		197
Value added tax	578	11,727	744	15,261
Personal income tax		12,900		4,865
Social security tax		27,593		7,497
Statutory funded pension contributions		1,720		709
Unemployment insurance contributions		3,140		446
Interest accrued		94		
Other taxes		24,502		2,631,179
Balance on the prepayment account	17,630		524	
Total	**18,208**	**82,260**	**1,268**	**2,660,154**

Note 7 Investments in subsidiaries

(In euros)

Investments in subsidiaries, general information					
Subsidiary's registry number	**Name of subsidiary**	**Domicile**	**Core business**	**Ownership interest (%)**	
				31 Dec 2015	**31 Dec 2016**
12001335	Autosky OÜ	Estonia	Sale and maintenance of cars	51	100
11072184	Investment House OÜ	Estonia	Consulting	85	85
500003997841	Wellman Logistic SIA	Latvia	Logistics	85	100
111576016	Wellman UAB	Lithuania	Logistics	100	100
12431248	Carfox OÜ	Estonia	Repair and maintenance of cars	100	100
50103785141	3PL worldwide solutions SIA	Estonia	Logistics	100	100
12167550	Friendly Finance OÜ	Estonia	Financial services	70	0
14084029	BonBon Lingerie OÜ	Estonia	Lingerie production	0	70
40203028984	Wellman Factoring SIA	Latvia	Financial services	0	100

Changes in investments in subsidiaries in the reporting period:
- The group sold its investment in Friendly Finance OÜ. Income from the sale has been recognised in the income statement within *Gain on investments*..
- The group increased its interest in Autosky OÜ and Wellman Logistics SIA by increasing share capital and purchasing a share.
- The group established new subsidiaries: BonBon Lingerie OÜ and Wellman Factoring SIA.

Note 8 Investments in associates

(In euros)

Investments in associates, general information					
Associate's registry number	Name of associate	Domicile	Core business	Ownership interest (%)	
				31 Dec 2015	31 Dec 2016
11142772	Wellman Invesco AS	Estonia	Real estate	25	25

Note 9 Long-term investments

(In euros)

		Total
	Shares	
As at 31 December 2014	310,633	310,633
Gain on sale and revaluation	-203,584	-203,584
As at 31 December 2015	**107,049**	**107,049**
		Total
	Shares	
As at 31 December 2015	107,049	107,049
As at 31 December 2016	**107,049**	**107,049**

See note 8.

Note 10 Investment property

(In euros)

Cost method			
			Total
	Land	Buildings	
As at 31 December 2014			
Cost	858,092	605,688	1,463,780
Accumulated depreciation	0	-118,036	-118,036
Carrying amount	858,092	487,652	1,345,744
Additions	0	8,259	8,259
Depreciation for the year	0	-18,072	-18,072
As at 31 December 2015			
Cost	858,092	613,947	1,472,039
Accumulated depreciation	0	-136,108	-136,108
Carrying amount	858,092	477,839	1,335,931
Depreciation for the year	0	-9,196	-9,196
As at 31 December 2016			
Cost	858,092	613,947	1,472,039
Accumulated depreciation	0	-145,304	-145,304
Carrying amount	858,092	468,643	1,326,735

	2016	2015
Rental income on investment property	23,289	20,629
Direct property management expenses	3,430	4,320

Note 11 Property, plant and equipment

(In euros)

						Total
	Land	**Buildings**	**Other items of property, plant and equipment**		**Projects in progress and prepayments**	
				Projects in progress		
As at 31 December 2014						
Cost	219,946	6,201,733	729,275	306,570	306,570	7,457,524
Accumulated depreciation		-1,590,522	-213,481			-1,804,003
Carrying amount	219,946	4,611,211	515,794	306,570	306,570	5,653,521
Additions			28,299			28,299
Other additions			28,299			28,299
Depreciation for the year		-318,170	-110,487			-428,657
Other changes		107,919				107,919
As at 31 December 2015						
Cost	219,946	6,201,733	757,574	306,570	306,570	7,485,823
Accumulated depreciation		-1,800,773	-323,968			-2,124,741
Carrying amount	219,946	4,400,960	433,606	306,570	306,570	5,361,082
Additions		342,736	152,932			495,668
Depreciation for the year		-348,170	-67,296			-415,466
Other changes			-486,763			-486,763
As at 31 December 2016						
Cost	219,946	6,544,469	423,743	306,570	306,570	7,494,728
Accumulated depreciation		-2,148,943	-391,264			-2,540,207
Carrying amount	219,946	4,395,526	32,479	306,570	306,570	4,954,521

Note 12 Borrowings

(In euros)

	31 Dec 2016	Breakdown by remaining maturity			Interest rate	Maturity date
		12 months	1 - 5 years	Over 5 years		
Short-term loans						
Bank loan	275,004	275,004			3.4%	25 Sep 2021
Overdraft	195,090	195,090				
Total short-term loans	470,094	470,094				
Long-term loans						
Bank loan	2,406,117		2,406,117		3.4%	25 Sep 2021
Total long-term loans	2,406,117		2,406,117			
Other borrowings						
Finance leases	4,087		4,087			
Total other borrowings	4,087		4,087			
Total borrowings	**2,880,298**	**470,094**	**2,410,204**			
	31 Dec 2015	**Breakdown by remaining maturity**			**Interest rate**	**Maturity date**
		12 months	**1 - 5 years**	**Over 5 years**		
Short-term loans						
Other – legal person	2,634,000	2,634,000				
Other – legal person	505,855	505,855				
Overdraft	193,299	193,299				
Swedbank	2,705,258	2,705,258			2.45%	5 Oct 2016
Total short-term loans	6,038,412	6,038,412				
Long-term bonds						
FF	2,191,000		2,191,000		10%	2018
Total long-term bonds	2,191,000		2,191,000			
Other borrowings						
Finance leases	5,840		5,840			
Total other borrowings	5,840		5,840			
Total borrowings	**8,235,252**	**6,038,412**	**2,196,840**			

Carrying amount of assets pledged as loan collateral		
As at 31 December	**2016**	**2015**
Buildings	4,247,490	4,565,660
Total	**4,247,490**	**4,565,660**

A subsidiary's overdraft facility is secured with a commercial pledge created on the subsidiary's assets and mortgages created on two apartments belonging to the parent company (investment properties with a carrying amount of 84,579 euros).

Note 13 Payables and advances received

(In euros)

	As at 31 December 2016	Breakdown by remaining maturity	
		12 months	1 - 5 years
Trade payables	261,827	261,827	
Payables to employees	60,045	60,045	
Taxes payable	82,260	82,260	
Other payables	401,509	399,808	1,701
Dividends payable	288,549	288,549	
Other accrued payables	112,960	111,259	1,701
Advances received	24,210	24,210	
Deferred income	23,867	23,867	
Other advances received	343	343	
Total payables and advances received	**829,851**	**828,150**	**1,701**
	As at 31 December 2015	**Breakdown by remaining maturity**	
		12 months	**1 - 5 years**
Trade payables	591,682	591,682	
Payables to employees	147,098	147,098	
Taxes payable	2,660,154	2,660,154	
Other payables	1,236,331	999,703	236,628
Interest payable	35,000	35,000	
Dividends payable	523,408	523,408	
Other accrued payables	677,923	441,295	236,628
Advances received	992,629	992,629	
Deferred income	992,629	992,629	
Total payables and advances received	**5,627,894**	**5,391,266**	**236,628**

Note 14 Contingent assets and liabilities

(In euros)

As at 31 December	2016	2015
Contingent liabilities		
Maximum possible dividend distribution	9,685,624	6,917,494
Income tax liability on maximum possible dividend distribution	2,421,406	1,729,373
Total contingent liabilities	**12,107,030**	**8,646,867**

Note 15 Share capital

(In euros)

As at 31 December	2016	2015
Share capital	25,565	25,565
Number of shares	1	1

Note 16 Personnel expenses

(In euros)

	2016	2015
Salary expenses	-803,849	-1,377,729
Social security charges	-326,821	-343,452
Total personnel expenses	**-1,130,670**	**-1,721,181**
Average number of staff converted to full-time equivalent	127	127

Note 17 Other finance income and costs

(In euros)

	2016	2015
Finance income and costs on investments in associates	845	-28,018
Interest expense	-331,786	-581,269
Other finance income and costs	437,000	-10,540
Total other finance income and costs	**106,059**	**-619,827**

Note 18 Related party disclosures

(In euros)

Balances with related parties

	As at 31 December 2016	As at 31 December 2015
	Receivables	Receivables
Associates	242,353	242,353
Executive and higher management and individuals with a significant shareholding, and companies under their control or significant influence	88,785	168,300

Purchases and sales

	2016		2015	
	Purchases	Sales	Purchases	Sales
Parent company	0	12,756	9,596	23,050

Remuneration and other significant benefits provided to the executive and higher management		
	2016	**2015**
Remuneration	35,139	25,260

Note 19 Parent company's balance sheet

(In euros)

As at 31 December	2016	2015
Assets		
Current assets		
Cash and cash equivalents	4,006,779	5,007
Investments	2,755	0
Receivables and prepayments	6,830,891	716,931
Total current assets	**10,840,425**	**721,938**
Non-current assets		
Investments in subsidiaries and associates	1,971,067	3,759,561
Receivables and prepayments	0	3,498,188
Investment property	468,643	477,839
Property, plant and equipment	85,183	82,713
Total non-current assets	**2,524,893**	**7,818,301**
Total assets	**13,365,318**	**8,540,239**
Liabilities and equity		
Liabilities		
Current liabilities		
Payables and advances received	296,586	751,689
Total current liabilities	**296,586**	**751,689**
Total liabilities	**296,586**	**751,689**
Equity		
Share capital at par value	25,565	25,565
Statutory capital reserve	5,405	5,405
Retained earnings (prior years)	7,757,580	9,045,121
Profit/loss for the year	5,280,182	-1,287,541
Total equity	**13,068,732**	**7,788,550**
Total liabilities and equity	**13,365,318**	**8,540,239**

Note 20 Parent company's income statement
(In euros)

	2016	2015
Revenue	43,393	44,813
Other income	7,624	307
Goods, materials and services used	-103	0
Other operating expenses	-73,186	-224,990
Personnel expenses	-9,874	-5,747
Depreciation and impairment losses	-19,331	-18,711
Other expenses	-2,020,588	-1,130,702
Operating loss	**-2,072,065**	**-1,335,030**
Other finance income and costs	7,242,331	47,489
Profit/loss before income tax	**5,170,266**	**-1,287,541**
Income tax income	109,916	0
Profit/loss for the year	**5,280,182**	**-1,287,541**

Note 21 Parent company's statement of cash flows

(In euros)

	2016	2015
Cash flows from operating activities		
Operating loss	-2,072,065	-1,335,030
Adjustments for		
Depreciation and impairment losses	19,331	18,711
Other adjustments	299,548	1,607,541
Total adjustments	**318,879**	**1,626,252**
Change in receivables and prepayments	-2,038,672	-746,534
Change in payables and advances received	-220,243	178,458
Net cash used in operating activities	**-4,012,101**	**-276,854**
Cash flows from investing activities		
Paid on acquisition of property, plant and equipment and intangible assets	-12,605	0
Paid on acquisition of subsidiaries	-166,600	0
Proceeds from sale of subsidiaries	7,277,240	0
Loans provided	-577,100	257,169
Repayment of loans provided	0	-188,744
Interest received	254,049	0
Dividends received	1,363,832	0
Net cash from investing activities	**8,138,816**	**68,425**
Cash flows from financing activities		
Proceeds from loans received	0	185,350
Dividends paid	-124,943	0
Net cash used in/from financing activities	**-124,943**	**185,350**
Net cash flow	**4,001,772**	**-23,079**
Cash and cash equivalents at beginning of year	5,007	28,086
Increase/decrease in cash and cash equivalents	**4,001,772**	**-23,079**
Cash and cash equivalents at end of year	4,006,779	5,007

Note 22 Parent company's statement of changes in equity

(In euros)

				Total
	Share capital at par value	Statutory capital reserve	Retained earnings	
As at 31 December 2014	25,565	5,405	9,045,121	9,076,091
Loss for the year	0	0	-1,287,541	-1,287,541
As at 31 December 2015	25,565	5,405	7,757,580	7,788,550
Carrying amount of interests under control and significant influence	0	0	-3,759,561	-3,759,561
Value of interests under control and significant influence under the equity method	0	0	3,887,926	3,887,926
Adjusted unconsolidated equity as at 31 December 2015	**25,565**	**5,405**	**7,885,945**	**7,916,915**
Profit for the year	0	0	5,280,182	5,280,182
As at 31 December 2016	25,565	5,405	13,037,762	13,068,732
Carrying amount of interests under control and significant influence	0	0	-1,971,067	-1,971,067
Value of interests under control and significant influence under the equity method	0	0	1,111,920	1,111,920
Adjusted unconsolidated equity as at 31 December 2016	**25,565**	**5,405**	**12,178,615**	**12,209,585**